

July 18, 2002

Dear ENERGY STAR® Monitor Partner and Other Interested Parties,

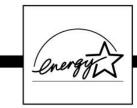
The purpose of this letter is to provide you with an update on the ongoing process to revise the ENERGY STAR monitor specification. Since the first draft of the specification was released in April, EPA has received considerable feedback on all aspects of the specification. Based on this feedback, and additional research, a key decision has been made by EPA to have one performance specification that covers both Cathode Ray Tube (CRT) and Liquid Crystal Display (LCD) monitors. EPA's intention is to set a Tier 1 level that captures the better performing CRTs and LCDs on the market. Then, at a later date to be determined with industry, a more stringent Tier 2 level will take effect

Our rationale for this decision includes:

- 1. Separate specifications would mean that only 25% of LCDs would be recognized by ENERGY STAR. Surely this is the wrong message to send at a time when manufacturers are trying to ramp up sales of LCDs across the board?
- 2. Separate specifications would confuse the customer. Two monitors of identical screen size and functionality, one a CRT and one an LCD, could be right next to each other on the retail shelves. Both bear the Energy Star label, but have power use that differs by a factor of two or three. How does that help the customer choose the most energy efficient monitor?

EPA is currently working on finalizing a Test Method for measuring on mode power use. A Test Method Committee was established following the April meeting, comprised of industry members, ENERGY STAR representatives, and other interested parties. A Draft Test Method will be sent out to the Committee for review on July 18, 2002. In preparing this Draft, EPA reviewed the appropriate ISO standards, as suggested by the Committee; the latest VESA specification; TCO's Test Method; and comments made by the Committee. A conference call is scheduled for the following week, to collect feedback on the Draft Test Method. EPA is planning to finalize the Test Method and share it with industry members in August 2002.

Following receipt of the Test Method, EPA requests all interested parties to test their current monitors using the new Test Method, and submit data to EPA for analysis and review. As always, this test data will be treated as confidential. When the new data is presented, no references to company names or models numbers will be made. A three-four week turn around time for the testing process is sought. Based on this data, and any additional feedback, EPA will revise the ENERGY STAR Draft monitor specification and release it for comment in September-October 2002.



A second industry meeting will be scheduled following the release of Draft 2 of the specification. Based on the Test Method being finalized, and Draft 2 of the monitor specification being issued for industry comment, a new and more detailed schedule for the specification revision process will be sent out to industry. Obviously, the previous effective date of January 1, 2003 also requires revision.

Sincerely,

Craig Hershberg, Product Manager

Craig Hershberg

ENERGY STAR for Consumer Electronics and Office Equipment